

Affordable Housing in Montgomery County

February 8, 2008

CountyStat Principles

- Require Data-Driven Performance
- Promote Strategic Governance
- Increase Government Transparency
- Foster a Culture of Accountability



Agenda

- ***Defining “Affordable Housing”***
- Issues for Discussion
 - Economic Composition of Montgomery County Households
 - Growing Cost and Burden of Housing
 - Affordable Housing Inventory, Location, Production and Protection
 - Data Gaps, Conflicts and Opportunities
- Wrap-Up



CountyStat Affordable Housing Framework

AFFORDABLE HOUSING IN MONTGOMERY COUNTY

Economic Composition

Housing Characteristics

Economics and Characteristics of Affordable Housing

Supply

Demand

Location

Target Income Populations
≤ 80% AMI

Workforce Income
70% - 120% AMI

Special Needs

Extremely
Low Income
30% AMI

Very Low
Income
50% AMI

Low Income
50%-80% AMI

Elderly

Disabled

Homeless



Objectives

The panel will work to:

Define and understand the economics and characteristics of *Affordable Housing* in Montgomery County at multiple levels (countywide, program, department/agency, funding).

Collect and regularly report on Supply, Demand and Location of *Affordable Housing*

Establish objectives and indicators for the Affordable Housing initiative in the County Based on current and projected regional economic factors and projections.



Important Terms and Thresholds

- Area Median Family Income (AMI) 2007 Median Income for Montgomery County: \$94,500 for a family of four
- Extremely Low Income: Households with income that does not exceed 30% of the Area Median Family Income *[Federally-defined]*
- Very Low-Income: Households with income that does not exceed 50% of the Area Median Family Income *[Federally-defined]*
- Low-Income: Households with income between 50% and 80% of the Area Median Family Income *[Federally-defined]*
- MPDU Income: Households with income up to 70% of the Area Median Family Income (for purchase) or 65 % of AMI (for rental) *[County-defined]*
- Workforce Housing Income: Households with income up to 120 % of the Area Median Income *[County-defined]*



Important Terms and Thresholds

- Household/Family: An individual or 2 or more persons related by blood or marriage, or a group of not more than 5 persons, excluding servants, not related by blood or marriage, living together as a single housekeeping group in a dwelling unit. *[Federally-defined]*
- Moderate Rent Burden: Households whose rental costs exceed 30% but not more than 50% of household income. *[Federally-defined]*
- Severe Rent Burden: Households whose rental costs exceed 50% of household income. *[Federally-defined]*



Defining Affordable Housing

- **DHCA**
 - Housing for which an individual or household generally pays less than 30% to 35% of household income each month
- **DHHS**
 - Housing that does not cost more than 30% of the household's income
- **HOC**
 - [insert definition]
- **MNCPPC**
 - Housing that does not cost more than 30% of the households gross annual income



MONTGOMERY COUNTY HOUSEHOLDS

Economic Composition

Housing Characteristics

Economics and Characteristics of Affordable Housing

Supply

Demand

Location

AFFORDABLE HOUSING INITIATIVE

Special Populations

Defined Target Populations
 $\leq 80\%$ AMI

Workforce
Income

Purchase
70% AMI

Rental
65% AMI

Purchase
70% AMI

Rental
65% AMI

Purchase
70%-
120% AMI

Rental
70%-120%
AMI

Extremely
Low Income
30% AMI

Very Low
Income
50% AMI

Low Income
50%-80%
AMI

AFFORDABLE HOUSING IN MONTGOMERY COUNTY



Affordable Housing: Major Programs

DHCA

Major Housing Programs:

- Housing Initiative Fund
- HOME Partnership Program
- CDBG Program
- MPDU, Workforce and Productivity Housing Programs

HOC

Major Housing Programs:

- Public Housing & Housing Choice Vouchers (Section 8)
- Special Needs Housing: Elderly, Disabled
- Other Affordable Units: Managed/Scattered
- Homeownership Programs

DHHS

Major Housing Programs:

- Rental Assistance Programs: RAP, SHRAP
- Energy Assistance Program
- Emergency & Intervention Services
- Homeless & Shelter Services

MNCPPC

Major Housing Programs:

- Park Housing
- Master Plan and Development Review processes



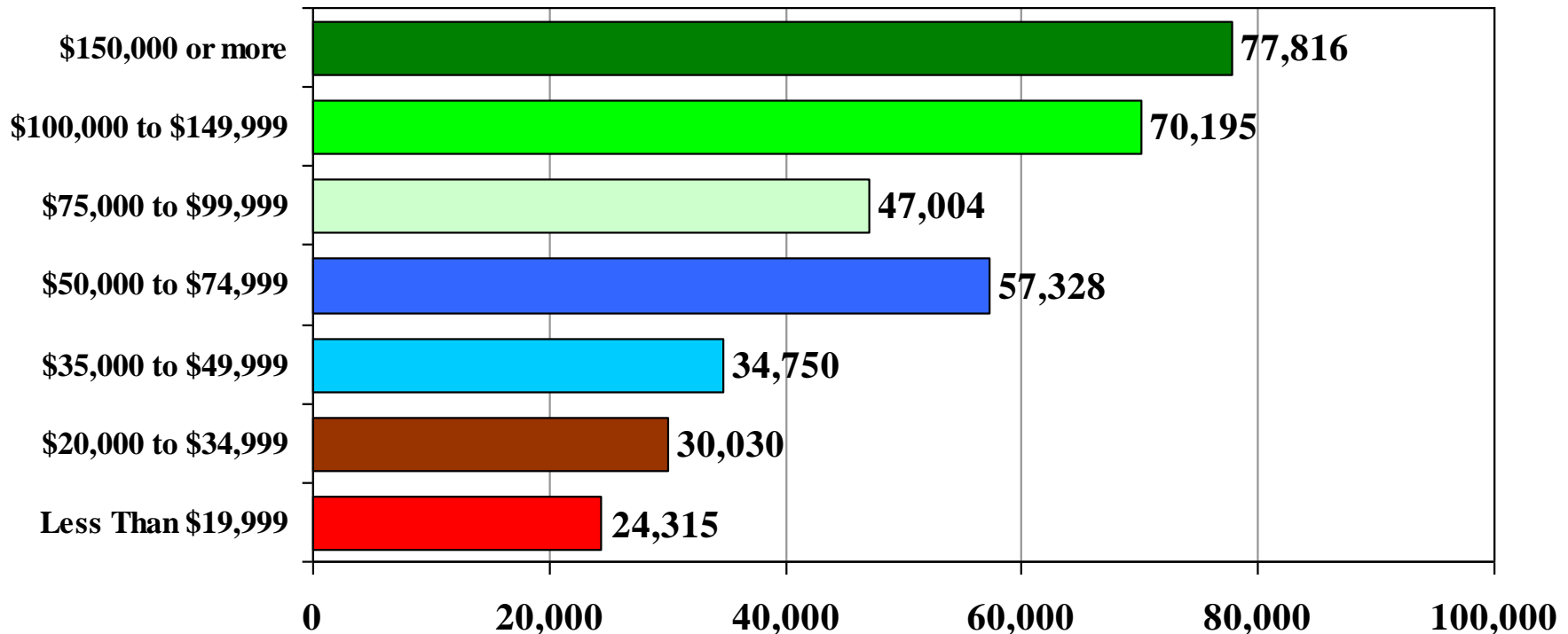
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Montgomery County Households by Income

Total Households



Median Household Income (2006 ACS Estimate):

Montgomery County: \$87,624

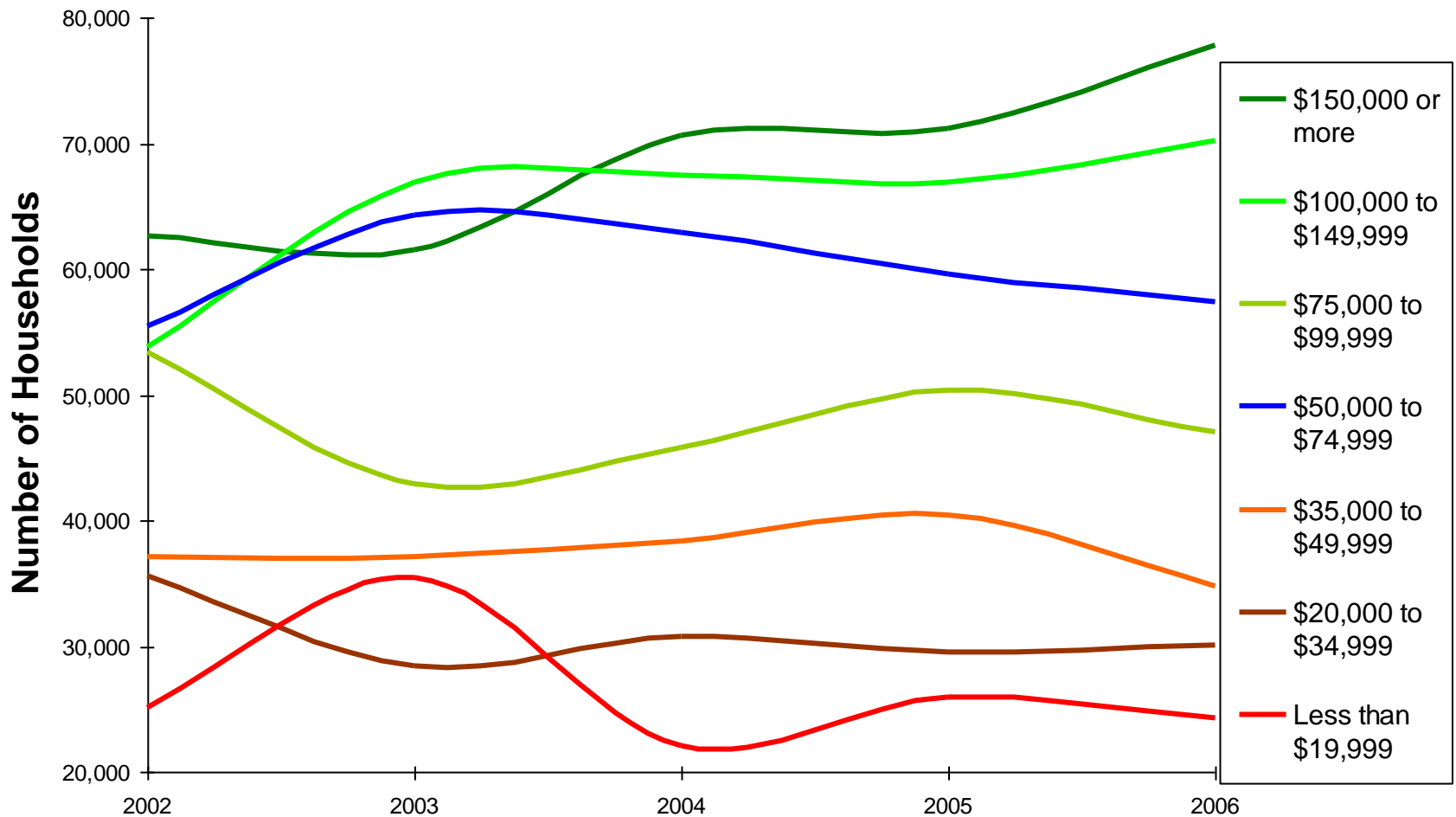
State of Maryland: \$65,144

United States: \$48,451

Source: American Community Survey, 2006



Shifts in Montgomery County Households

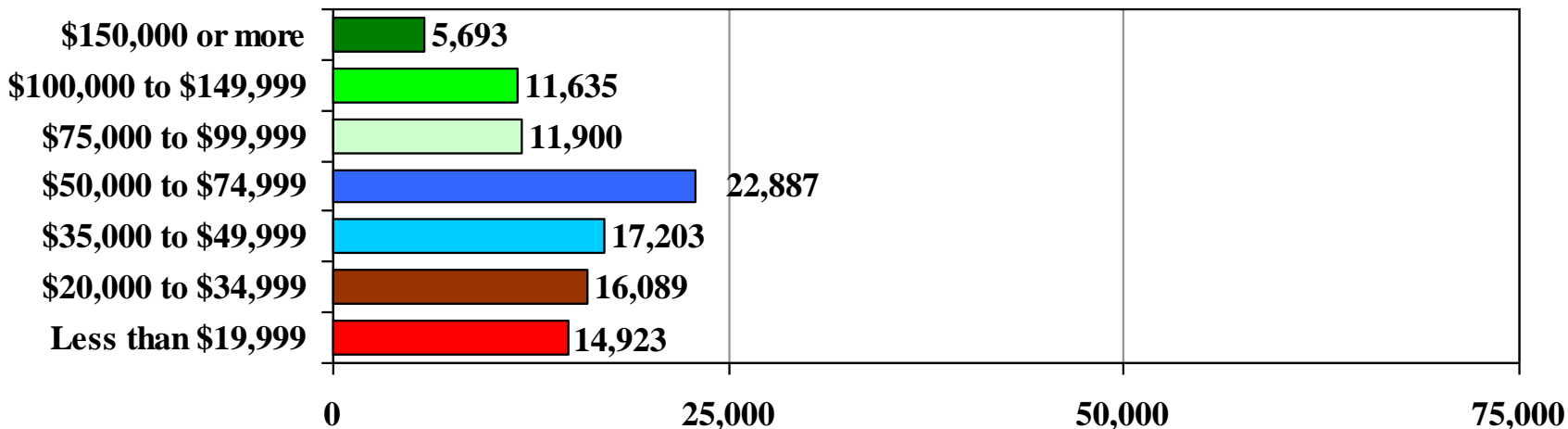


Source: American Community Survey 2002-2006

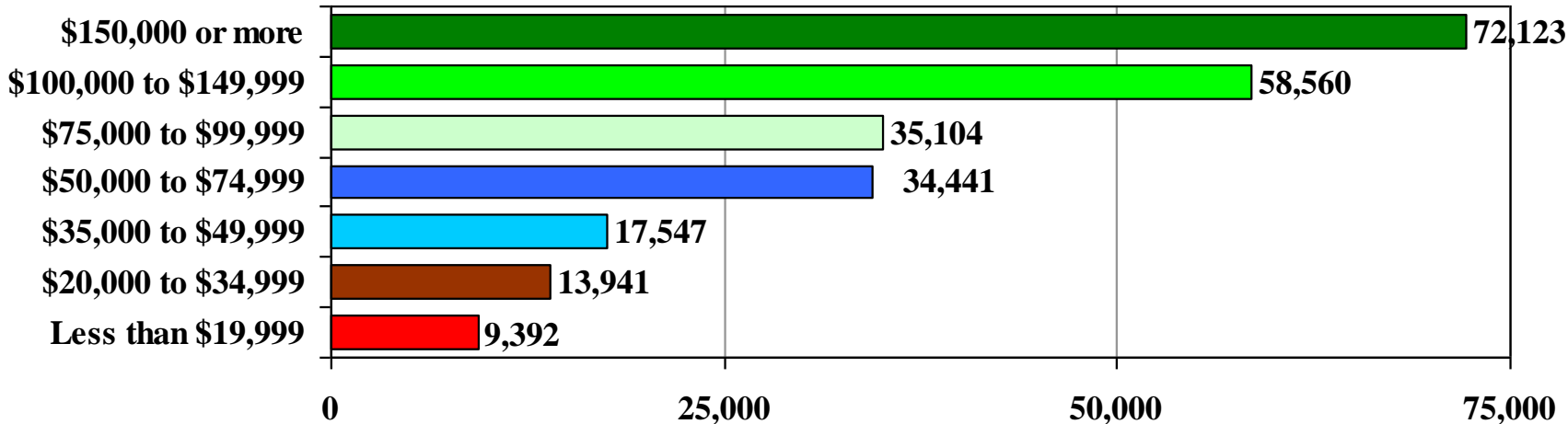


Montgomery County Households by Income

Renter Households



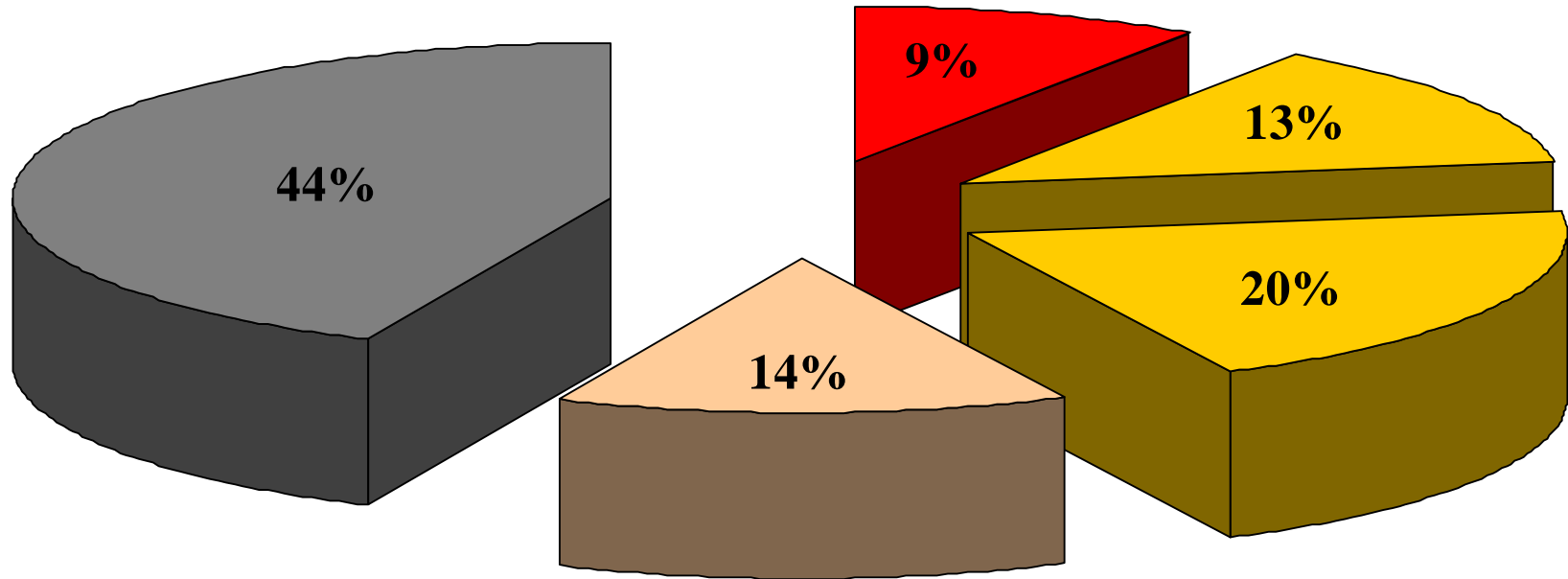
Owner Occupied Households



Source: American Community Survey, 2006



Montgomery County Income Distribution



 Extremely Low Income	 Very Low Income	 Low Income
 Workforce Housing Eligible	 Market Rate	

Source: American Community Survey 2006 (Percentages Approximated)

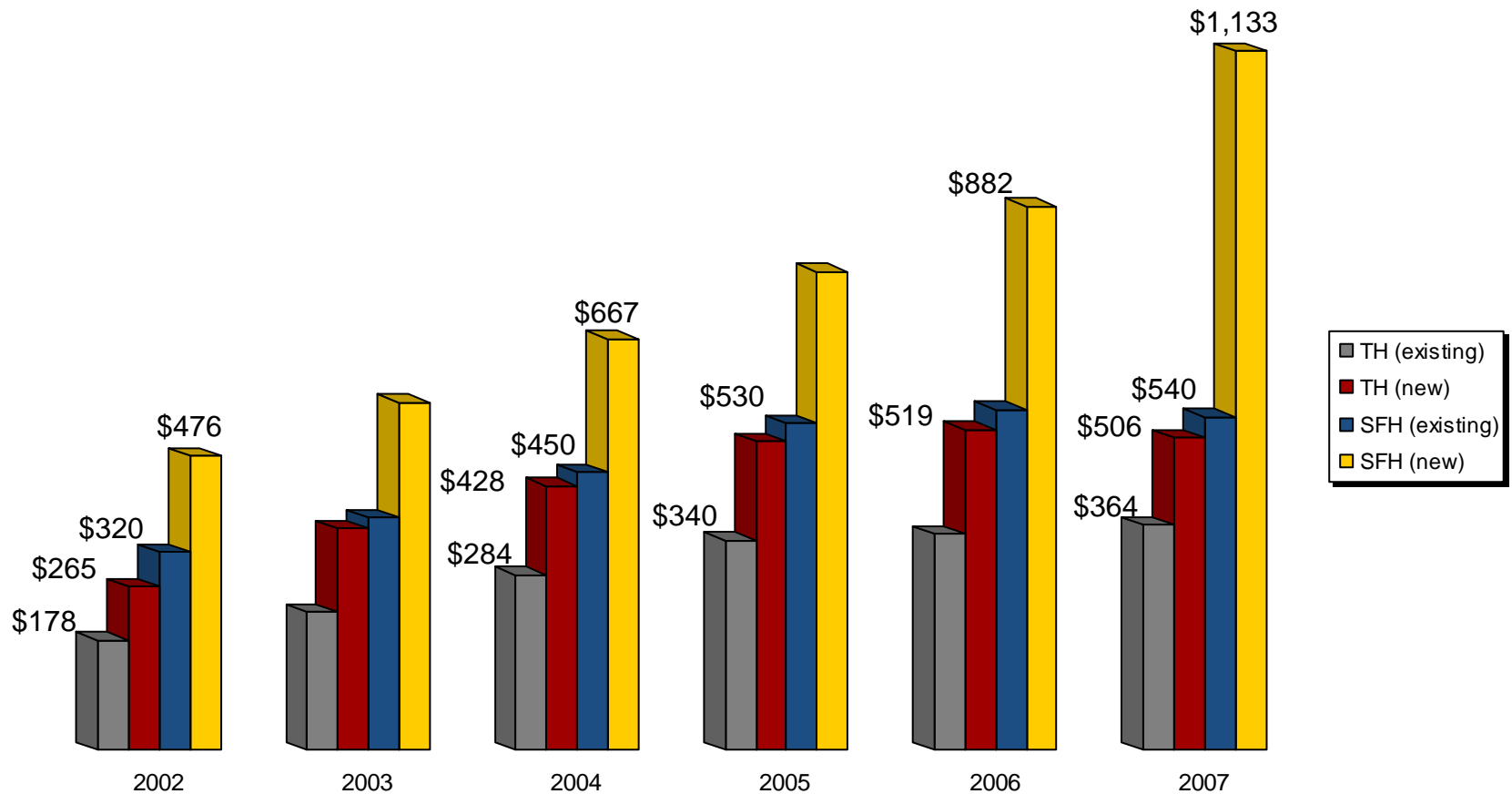


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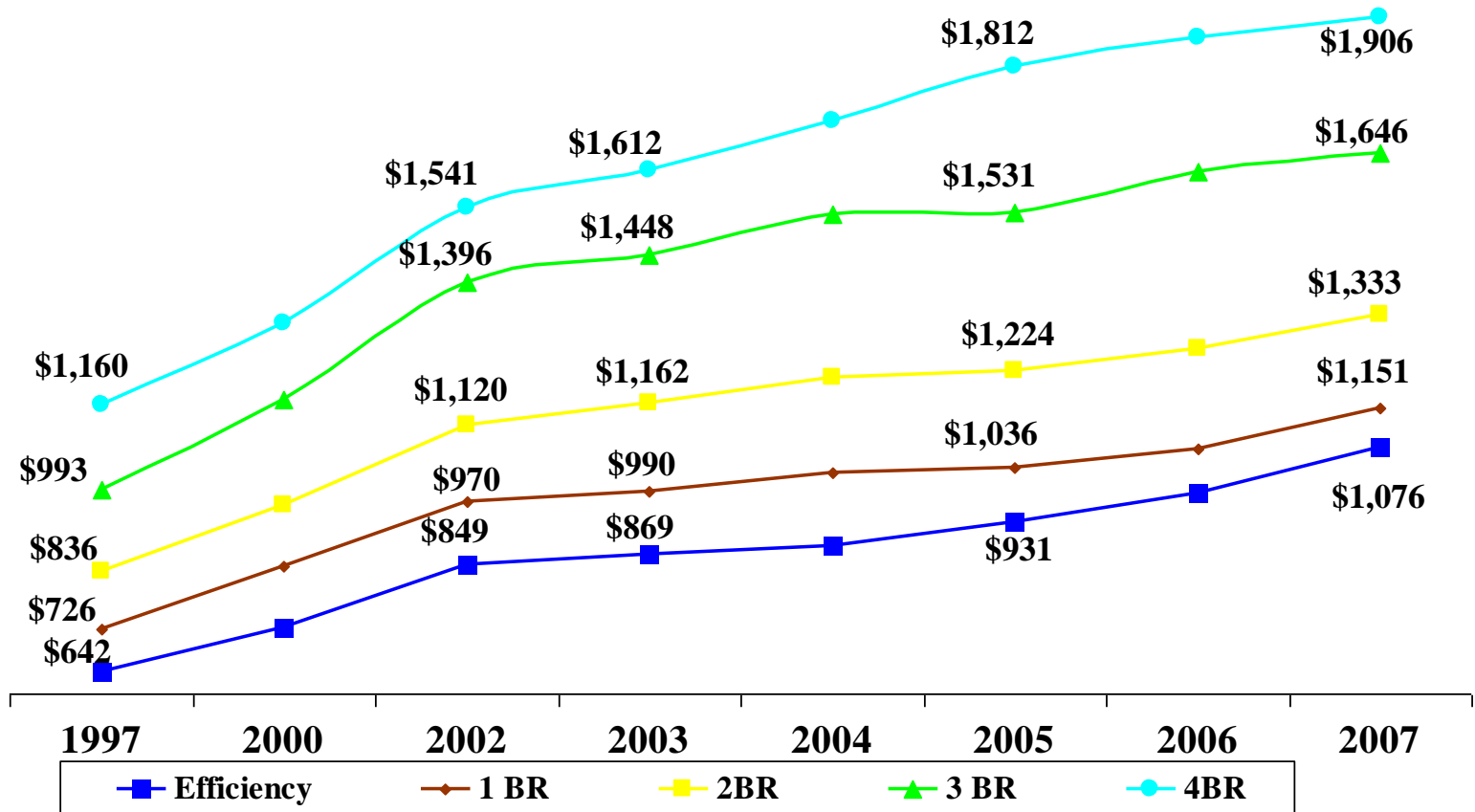
Median Home Sale Price



Source: MNCPPC Housing Market Update, September 25, 2007



Average Rental Rates

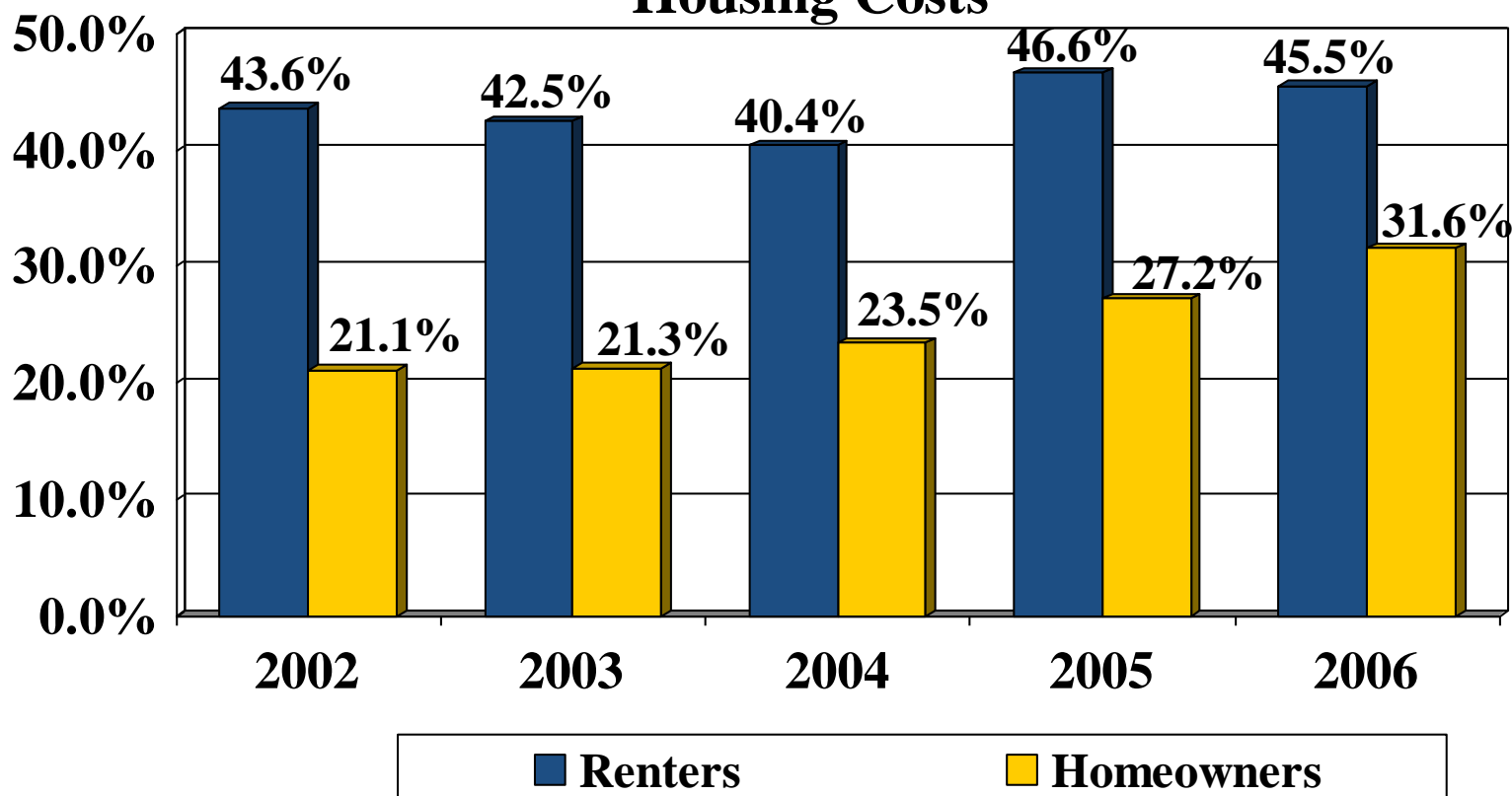


Source: DHCA Rental Vacancy Survey 2006, 2007



Growing Burden of Housing Costs

Residents Paying More Than 30% of Income for Housing Costs



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DHCA

Major Housing Programs:

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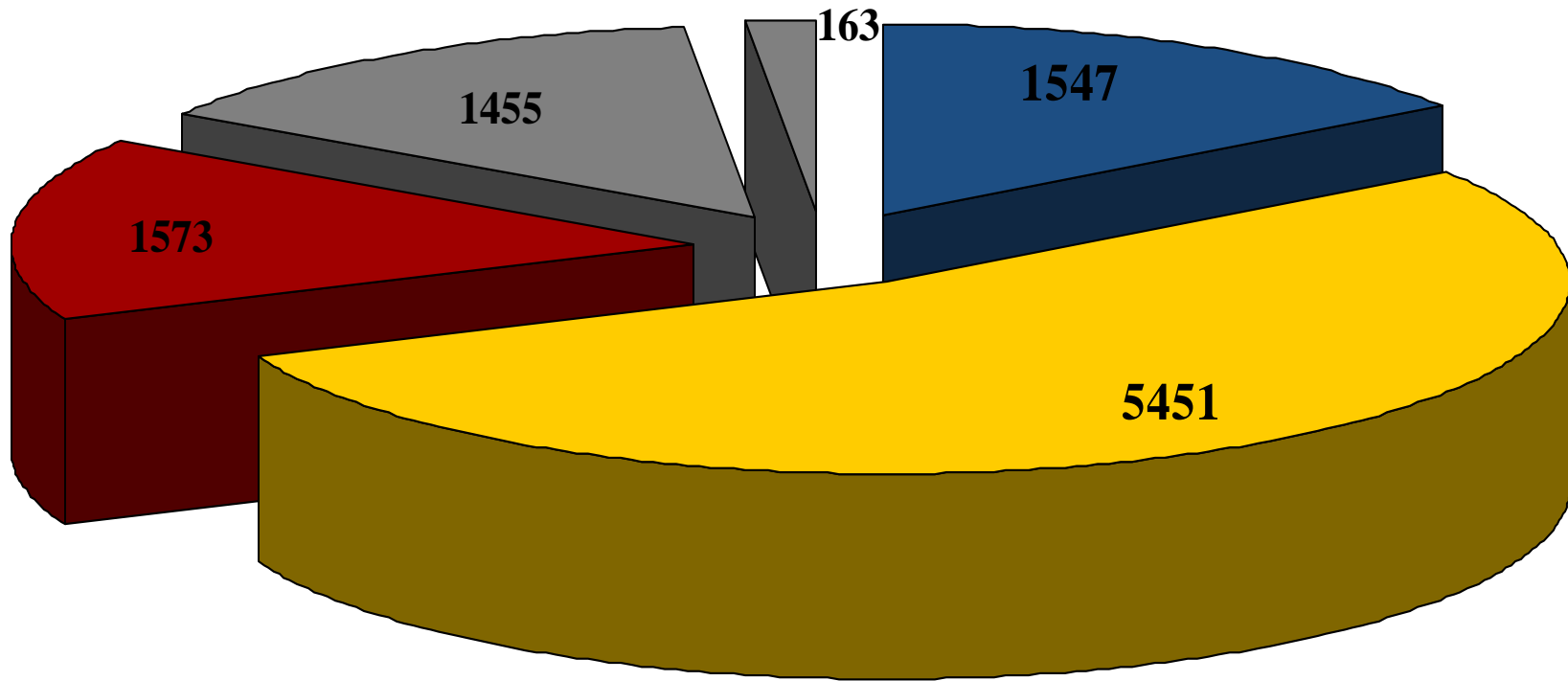
MNCPPC

Major Housing Programs:

- **Park Housing (may be deleted)**
- **Master Plan and Development Review processes**



Inventory of Affordable Housing Units (2007)



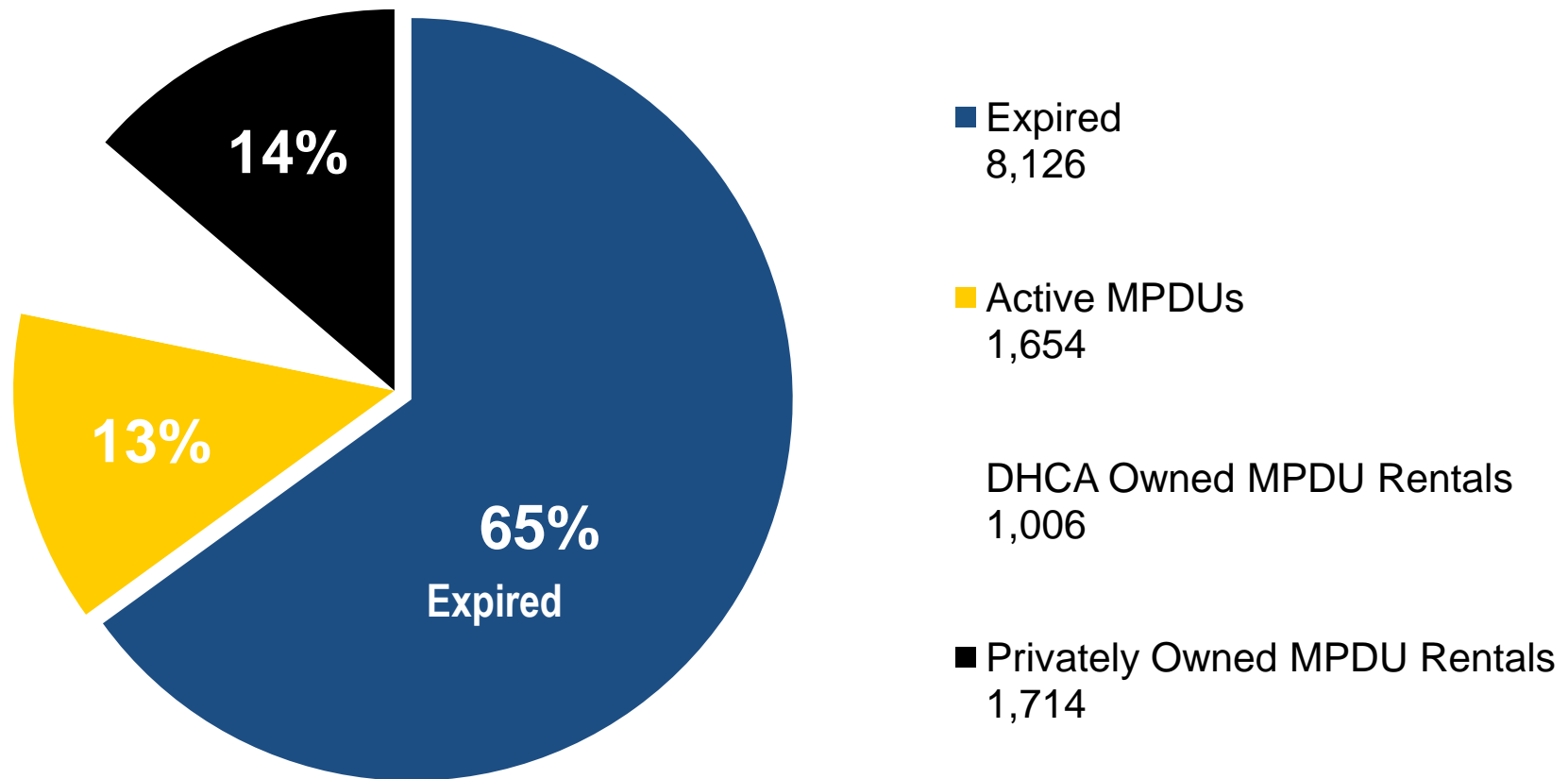
■ Public Housing
■ HOC MPDU
■ Non-Profit MPDUs

■ Public Vouchers
■ Private MPDUs

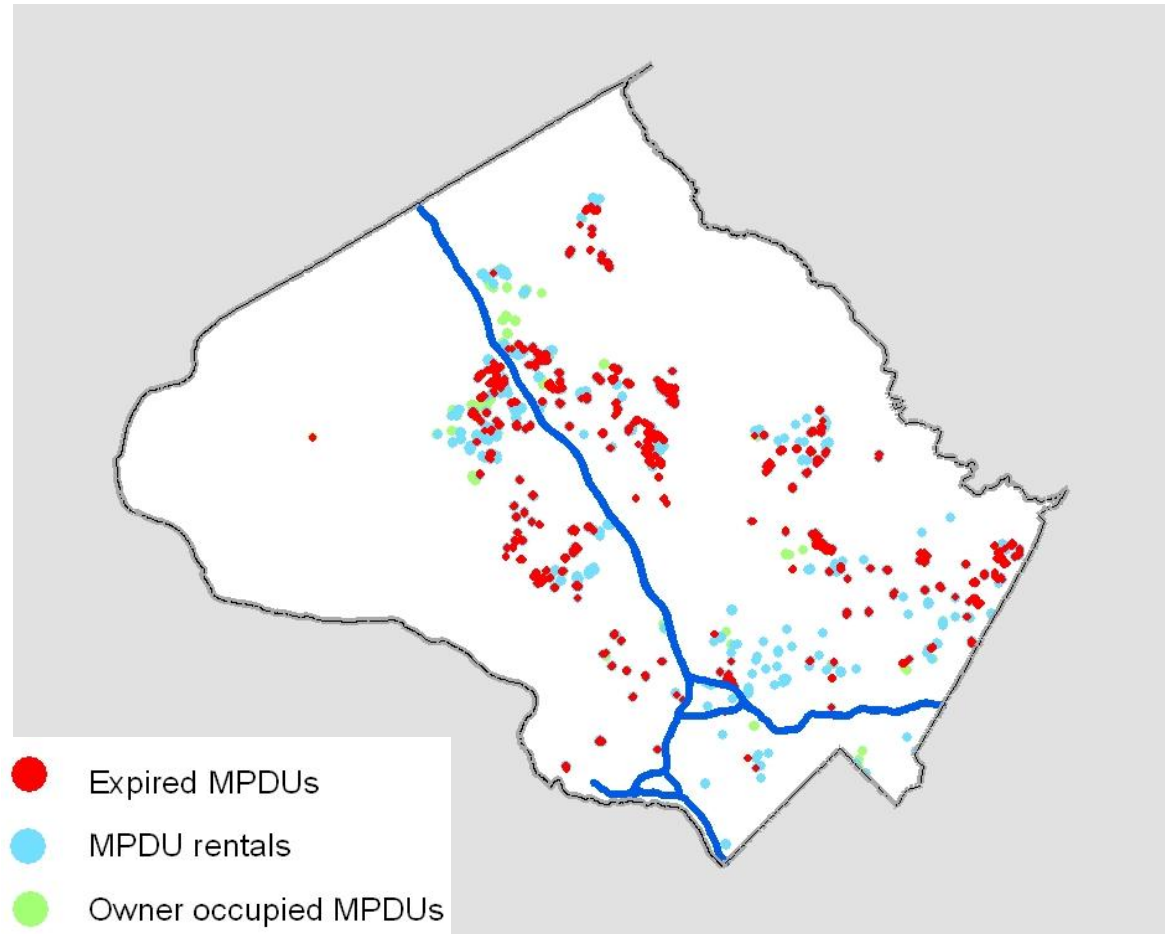


More than 1/2 of the MPDU's produced have had their control period expire.

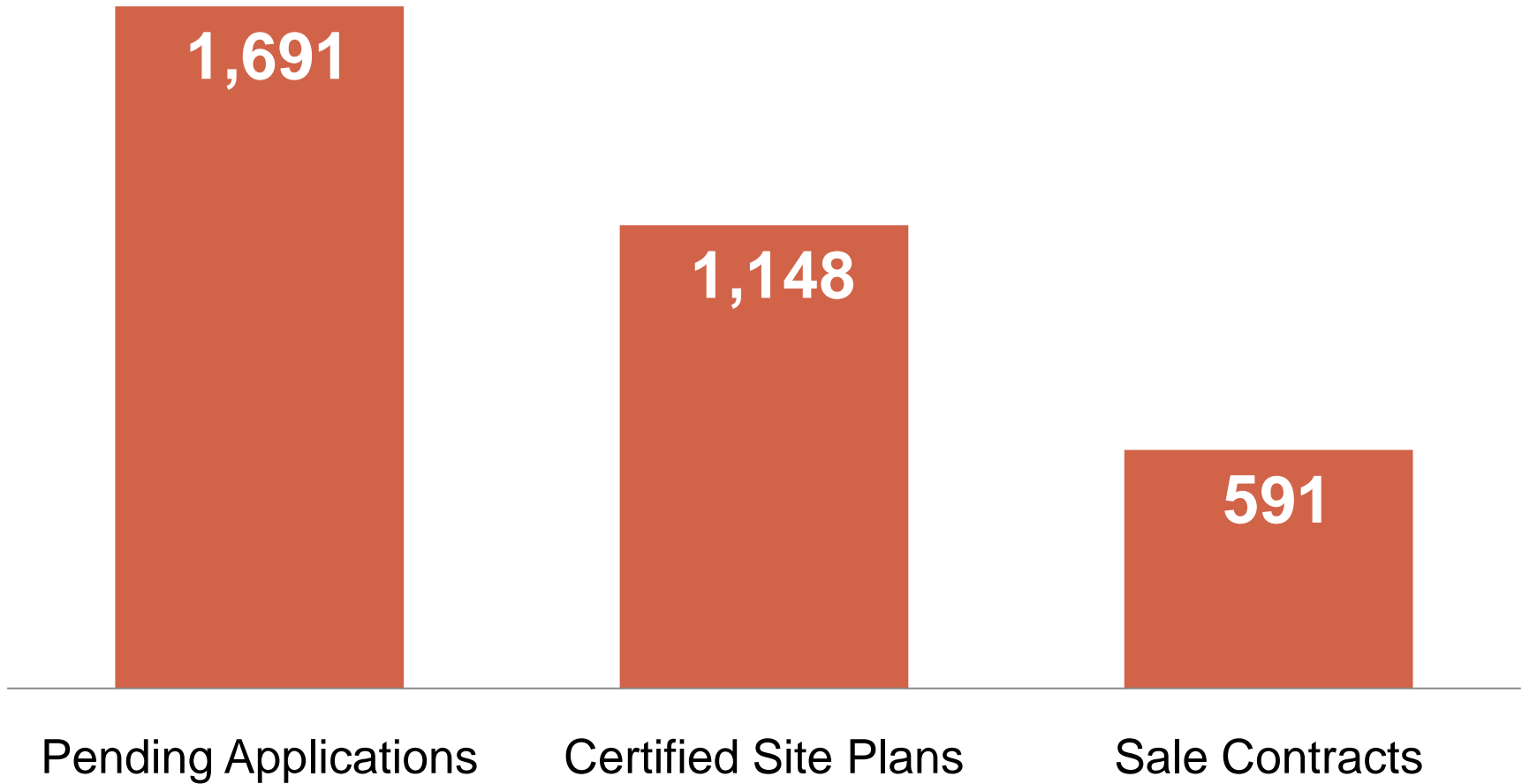
Controlled Stock of Affordable Housing MPDUs



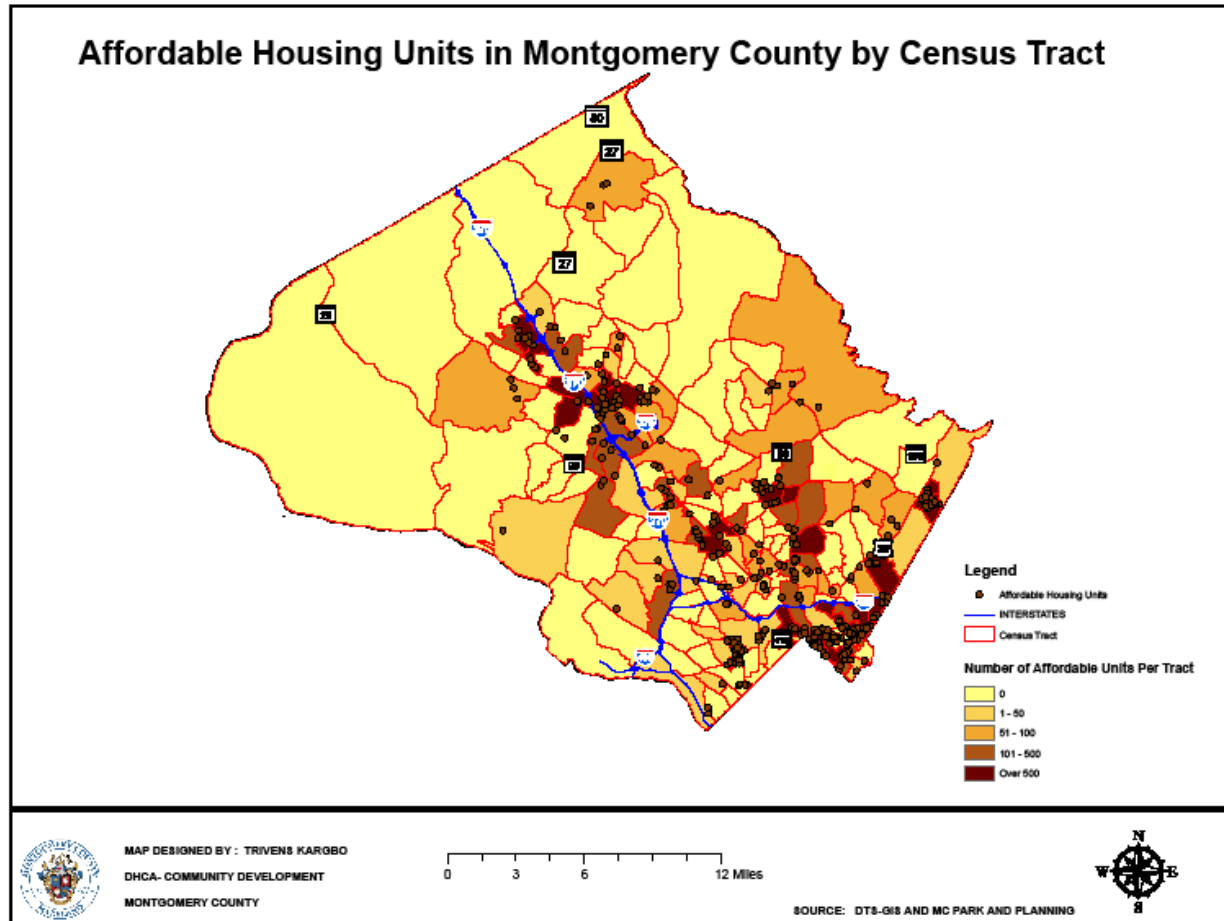
MPDUs



MPDU Production Snapshot January 2008



Location of Affordable Housing Units



Citizen Responses

■ Resident Survey Highlights

- 75% of respondents rated affordable housing as an “essential” or “very important” issue for Montgomery County to address
- 54% of respondents rated the availability of affordable housing in Montgomery County as “poor”
- Many respondents commented that Montgomery County was too expensive a community in which to retire

■ Affordable Housing Task Force Report

- Tentative Release Date: April 2008



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Data Discussion

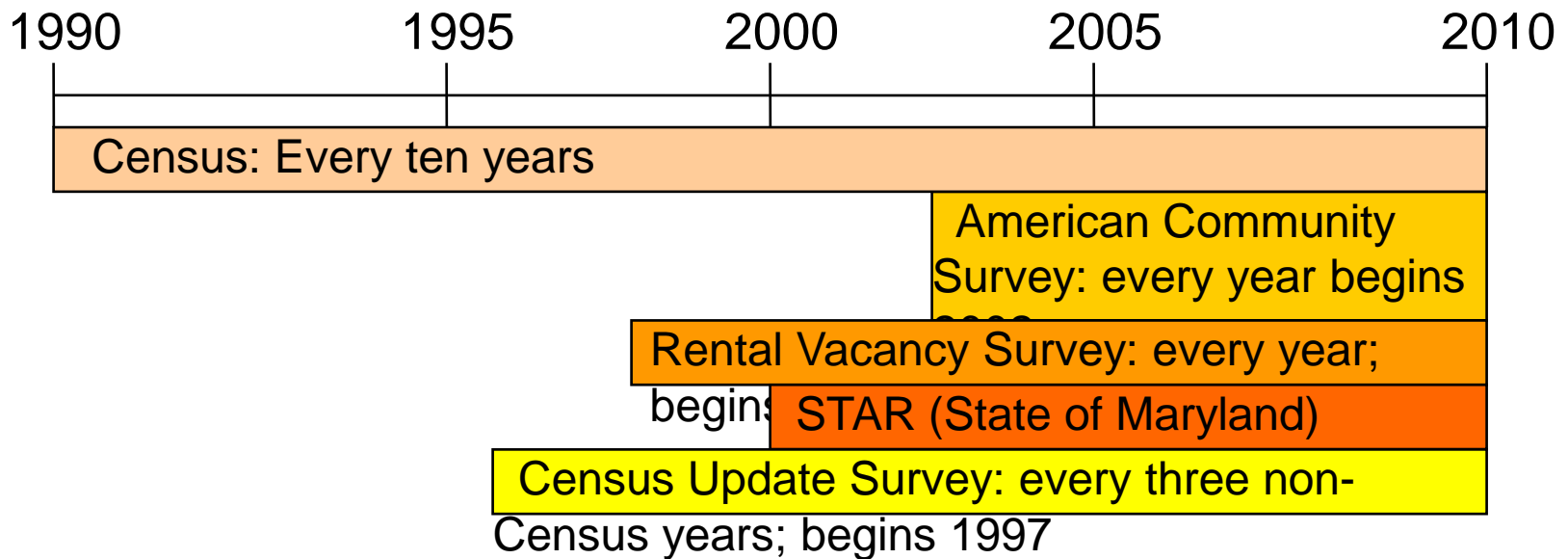
Major Sources of Data

- Census Survey (owner: Census)
- American Community Survey (owner: Census)
- Rental Vacancy Survey (owner: DHCA)
- Internal data (DHCA, HOC, DHHS, MNCPPC)
- STAR System ([insert frequency], owner: State of Maryland)
- HUD Income Limits (owner: Dept. of Housing & Urban Development)

Discussion Point: What sources of data are needed to better understand, project and meet the needs of your client base? What type of data analysis would be useful for your decision-making?



Examples of Data Gaps



Wrap Up

- **Recap of follow-up items**
- **Schedule of upcoming meetings**



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